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SUBJECT: LABOR LEADERS' POSITIVE OUTLOOK

REF: (A) BRASILIA 1201 (B) SAO PAULO 70

¶1. (SBU) Summary: In recent discussions, Sao Paulo labor leaders were positive on the voice of unions in Brazilian economic policy. Sector representatives praised U.S. Trade Representative (USTR) Kirk's September 16 visit, expressing gratitude for his interest in their views on trade but indicated their own interest in better understanding the U.S. trade agenda. At the same time some expressed skepticism that any U.S. trade agreement with Brazil could advance in the closing year of the Lula Administration. Beyond trade, the unionists also discussed their efforts to better organize Brazil's substantial informal sector and the challenges facing large employment sectors such as sugarcane cutting. Finally, the trade representatives expressed interest in obtaining English language training for young leaders, a possibly promising area of future engagement. End Summary.

Deepening Contacts with Labor

¶2. (U) Over the last two months post has reached out to labor representatives in Sao Paulo, home to Brazil's major unions, to obtain a better understanding of organized labor's views on the economy, trade relations, and the 2010 elections. On October 2, post hosted a lunch for visiting Brasilia Laboff Fred Kaplan and several of these new contacts. In attendance were: Ivan Gonzalez, Political Coordinator, Trade Union Confederation of the Americas(TUCA); Braz Agostinho Albertini, President, Federation of Agricultural Workers of the State of Sao Paulo(FETAESP); Joao Carlos Goncalves Juruna, Secretary General, Union Movement (FS); Ortelio Palacio Cuesta, International Affairs Secretary, Union Movement (FS); Lourenco Ferreira do Prado, President, General Union of Workers (UGT); Caninde Pegado, Secretary General, UGT; Silvia Portela, International Affairs Advisor, Sole Center of Workers (CUT); and Brian Finnegan, Country Programs Director, AFL-CIO Solidarity Center.

THANKS FOR USTR VISIT BUT MORE DETAIL SOUGHT

¶3. (SBU) The contacts expressed considerable satisfaction at USTR Kirk's recent visit to Brazil, noting it was a good sign of the positive relationship between the U.S. and Brazil. FS and CUT reps, who attended a September 16 roundtable with USTR Kirk hosted by the Consul General, appreciated the opportunity to engage Ambassador Kirk directly. CUT's Silvia Portela applauded USTR Kirk's willingness to listen to labor concerns on trade issues, while UGT Vice President Lourenco Prado appreciated the opportunity to "debunk the misperception" that free trade automatically benefits all participants. (Note: Brazil's labor leaders hold protectionist/pro-industrial policy views. Nonetheless, they proved

knowledgeable and eager to engage the USTR during his recent visit, a sign we see as positive. End Note.) The only negative was that several participants mentioned they would have liked to hear more detail from USTR on President Obama's trade agenda.

PROSPECTS FOR REGIONAL TRADE AND MERCOSUL

¶4. (SBU) In various side conversations with Consulate officers, the union leaders expressed eagerness to learn more about President Obama's vision on trade. UGT representative Lourenco said most unions in Brazil expected a Democratic administration in the United States to be more protectionist, but were optimistic the Obama Administration aimed to expand trade amidst the global economic crisis. Nevertheless, CUT representative Portela suggested that a bilateral or regional trade agreement with the United States stood little chance of moving forward in the last year of the Lula Administration. Meanwhile, Portela, who also serves as an international coordinator for unions in Mercosul trade bloc countries (Argentina, Brazil, Paraguay, and Uruguay) said she was confident Venezuela would become part of Mercosul in the very near future. (Note: Countervailing this optimism, on October 1 the Brazilian Senate Foreign Relations Committee suspended for thirty days a vote on Venezuela's incorporation into Mercosul due to concerns over violations of democratic freedoms in Venezuela. End Note.)

ORGANIZING THE INFORMAL SECTOR

¶5. (U) Many of the unionists discussed efforts to better engage Brazilians who are either not unionized or who work in the informal sector. For example, they cited outreach to the garment industry in

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Sao Paulo, which is a major pillar of the local informal economy. According to Ortelio Prado of FS, his union is reaching out to workers in the clothing and shoe industries and to independent seamstresses. The CUT has enjoyed recent success in organizing overwhelmingly female domestic workers.

THE EXTINCTION OF CANE CUTTERS AND OTHER AGRICULTURAL ISSUES

¶6. (SBU) Similarly, the sugar industry has very low rates of labor organization. According to FETAESP's Braz Albertino, employers prefer to pay by the amount of cane cut rather than set a fixed hourly wage rate. Consequently, workers who can cut more cane favor this system. Agreements with sugar cane growers' associations and recent legislation in several states mandate the mechanization of cane cutting by 2014. This will force many cane cutters, many of whom have low education levels and no other marketable skills, out of work and into cities in search of employment. Albertini welcomed the long-term environmental benefits of mechanization, but deplored the lack of resources and programs provided so far to cane cutters to prepare them for this shift. Voicing the frustration of some cutters, he complained "there are more laws governing the protection of farm animals than cane cutters."

A REQUEST FOR HELP

¶7. (U) The Sao Paulo labor leaders have welcomed post outreach and requested the Consulate's help providing English language and exchange opportunities to deepen the international exposure of Brazilian union leaders. Specifically, CUT representative Portela, a former International Visitor's Program (IVP) participant, inquired about the availability of Consulate-supported English language courses. Similarly, FS showed keen interest in exchanges to send union youth to the United States for educational and work-related programs.

COMMENT: IN THE LOOP

¶8. (U) Despite current global economic challenges and a round of recent strikes in the banking, automotive, and express delivery sectors, the sentiments expressed by labor union contacts to USTR Kirk and in recent Consulate follow-up underscore that under the Lula Administration organized labor feels their voice is being heard on social, political and economic issues. As Brazil exits the

economic crisis and moves toward the 2010 national elections, organized labor will have further opportunity to expand its influence.

19. (U) This cable was coordinated/cleared by Embassy Brasilia.

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